HUMAN EVENTS

Vol. XV, No. 9 | Monday, March 3, 1958 | Washington, D. C.

News Section | *Printed in Two Sections*

TRUMAN: *Fans GOP campaign hopes* (page 1)

REUTHER: *Goes down to defeat* (page 1)

FCC PROBE: *Democratic boomerang* (page 3)

FOREIGN AID: *Johnston vs. the people* (page 3)

REDS IN ASIA: *Americans 'shanghaied'* (page 4)

In the Cockpit: Harry Truman, in his efforts to "give em hell," gave his anxious Democratic auditors the greatest anticlimax of all — "Harry Truman for 1960." As the Democratic brethren, at their recent $100-a-plate gathering, panted for the name of the Democrat who would prove another Franklin D. Roosevelt, all they got from the Truman discourse was a glorification of the little man from Independence.

Such is the analysis offered by veteran observers in Washington, who have thoroughly canvassed all shades of opinion among the followers of the donkey, while Truman punch lines fade into the general clamor of the Capital.

Who else — in this assemblage of chieftains of the opposition — did the shrewd Democratic professionals find? Not Lyndon Johnson; colleagues from the Upper House said the Texan is in worse physical shape than Ike. Little Jack Kennedy? A million lines of planned publicity haven't put him over. How about Governor Meyner of New Jersey? Democratic newsmen told the pros the Governor failed to pass the test when he tried out his personality on the sophisticated members of the National Press Club, speaking before that organization a short time go. The aging Harriman? The interrogation answers itself. Meanwhile, Symington has faded away with the diminishing "beep-beep" of Sputnik I. And no one present could ignore the fact that the forgotten man of the gathering was Adlai Stevenson.

So runs the private judgment on the field by old hands from Tammany and Cook County. Naturally, these Democratic pros took solace in contemplation of GOP woes in the developing economic recession. Even in scrutiny of this factor, however, they did not find too much comfort; for they read the penetrating release gotten out by GOP Senators the day before.

These Senators pointed out that the Truman recession of 1949-50 was about 50 per cent greater, in terms of unemployment statistics, than the present downswing. Unemployment in February, 1958, was 5.3 per cent of the Nation's total working force. In February, 1950, the figure was 7.6 per cent. Yet, the Truman who was then President remarked that this larger percentage of unemployed was "supportable" and that jobseeking was healthy."

The Truman tirade "was delivered poorly," said the Baltimore *Sun* — and most press men agreed. They noted that fluffs and slurrings in Truman's delivery were even more numerous than those from Ike in his State of the Union address (shortly after he had his stroke).

The very inebriety of the former President's performance made old Democratic pros shiver. They recalled the excesses in the era of "mink coats" and "red herrings." And they had not long to wait for the inevitable reaction. Senator H. Alexander Smith (R.-N.J.), on the morrow of the affair, proclaimed that the looming campaign issue is "a return to Trumanism." Smith a month ago said he was going to retire.

Now, reportedly, he may reverse this decision, for he smells a good issue. Perhaps, say observers, he recalls that the GOP victory in 1952 was won over "Trumanism" — the challenge which brought the support of Taft and his followers to Ike and which enabled the latter to win.

Hence, as Democratic oratory seeks to make mountains out of a few peccadilloes in the FCC investigation, Republicans wish they had thoroughly exposed the massive Democratic "scandals" when the GOP took power in 1953 (see the HUMAN EVENTS article, "The Truman Scandals," April 21, 1956, from the book of that title by Jules Abels). And not a few now wish that McCarthy had been helped, instead of sabotaged, in his crusade to uncover Truman's red herrings. Perhaps — so runs the refrain among Young Republicans, now the life-blood of a beleaguered party — it is not too late, particularly since Truman stands as the only remaining leader of the Democratic party.

Reuther Contra Senatum: The moving finger of history writes today, but it almost stopped last Wednesday when Walter Reuther, in a well-rehearsed tantrum for the press, sought to interrupt the judicial attempt of Senate investigators to expose the facts about labor violence.

Reuther's failure was etched in newsprint, as a string of witnesses revealed to the Nation the story of UAW violence during the famous Kohler strike. (The facts of this bitter episode have been set down in two full-length HUMAN EVENTS articles: "Kohler of Kohler," by Chesly Manly, May 28, 1955; and "Can Reuther's Boycott Bring Kohler to Its Knees?" by Father Edward A. Keller, February 23, 1957.)

The long-delayed aim of Republican Senators on the Senate Labor Rackets Committee to get this crucial issue before the public had finally won, despite reported inclinations of Democrat Robert Kennedy, Committee Counsel, to help Reuther. Republican unity was startlingly ex-

Published weekly at 1835 K Street, N.W., Washington 6, D. C. • Copyright 1958 by HUMAN EVENTS, INC.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

emplified by the firm insistence of the four GOP members that the century-old procedure of the Senate be followed — that evidence be given and tested before any limelight figures be allowed to use the hearings as a backdrop for political histrionics.

Their upright stubbornness finally swayed the Chairman, Democratic Senator John McClellan, who decreed that this "evidence first, judgment later" course was to be followed. (GOP colleagues sympathize with McClellan, say he was led astray by Counsel Kennedy.)

Democratic members of the Committee had wanted to put through the unprecedented procedure of calling Reuther first. All politically sophisticated Washington knew, however, that this meant Reuther would make a stump speech, get in his accusations first, attempt to put the Committee on the defensive and muddy up the picture presented to the Nation.

Sources within the Committee tell HUMAN EVENTS that Counsel Kennedy, ten days before the date set for opening of the hearing, accepted the Reuther design for "oratory first, evidence later," and that the CIO brain-trusters had already gone to work on Reuther's proposed stump speech.

When McClellan and the four GOP members blocked this scheme, Reuther staged one of his more theatrical performances for the press in the Senate Office Building, with the Newspaper Guild boys solemnly reporting his wild statements at face value. (Those who attend the hearings say the full story does not get into most of the papers.)

Reuther's frantic epithets against Senator Barry Goldwater brought from the latter interesting information about another such Reuther episode some months ago. Goldwater accepted a local Detroit TV invitation to debate Reuther — but insisted on paying his share of the cost of the program ($1,000) out of his own pocket. Arriving in Detroit, Goldwater found that Reuther had turned tail and that he (Goldwater) was to debate a lesser official of the CIO.

(The Senator, by his dignified and intelligent deportment in the hearings, has greatly increased his national stature — so runs conservative reaction in the Capital.)

While McClellan "came through" with honor, reporters wonder if some regrets for another episode in his career had not influenced him. In July, 1953, McClellan led a walkout of minority Democratic members against Chairman Joe McCarthy in a squabble over McCarthy's staff director, J. B. Matthews. Last week, McClellan claimed that GOP members threatened to walk out against the actions of McClellan's counsel, Robert Kennedy.

● The stark shadow of politics, as informed press observers sum the matter up, falls athwart all the proceedings of this historic hearing:

(1) *Reuther is kicking and biting his way forward to dictate the Democratic nomination in 1960.*

(2) Senator John Kennedy, a member of the Committee, is obviously bidding for that spot himself, and wants to avoid Reuther opposition.

(3) *Counsel Robert Kennedy wants to help his brother, and all Democratic members apparently fear Reuther's power within their party.*

(4) Republican Senator Ives, although ready to ingratiate himself with all "liberal" factions, isn't interested in Reuther so much as the old-line anti-Reuther AFL leaders.

(5) *The three other Senators on the group (Curtis, Goldwater, Mundt) believe that the American people, including labor's rank and file, are massed against the strength of the labor bosses, and want Reuther's power harnessed.*

Strange Alliance: Reports come to the Capital that powerful forces have gathered in California to back State Attorney General Edmund G. ("Pat") Brown, Democratic contender for the Governorship against Senator William F. Knowland. Walter Reuther is pouring money into the Sunset State to defeat Knowland not only because the latter has supported a right-to-work law, but also because of Knowland's Federal proposal for a "bill of rights" to protect union members from the tyranny of the labor bosses (see HUMAN EVENTS' description of this bill, February 3, 1958) — which the labor press and friends seek to stifle by a conspiracy of silence.

Now comes information which indicates that the anti-Knowland cabal extends over into the political right wing as well. Constantine Brown, Foreign Editor of the Washington *Evening Star*, tells the story, in his nationally syndicated column, of how Knowland has acquired these "conservative" enemies:

"Knowland has opposed and still is opposing . . . recognition of Communist China and resumption of any kind of trade relations with that Communist dictorship. . . . There are in California a number of Republican businessmen who don't like this policy — not because of its ideology — but because it interferes with their making a fast buck by trading with the Peiping regime."

Columnist Brown sketches the background of these businessmen: "Among them are those who, despite the indications between 1937 and 1940 that Japan harbored hostile intentions toward this country, and might resort to aggression, continued to sell scrap and high-octane gasoline to the Tokyo warlords. This was, of course, legal, since the Roosevelt administration in those days did not want to offend Japan. These businessmen are now irked by the strict embargo on American trade by the Administration and credit Knowland with being the adamant opponent of any relaxation of that policy."

There are others: "Many California (and other West Coast) manufacturers and exporters who still believe that substantial profits could be made out of trade with a Communist government . . . and have learned nothing from the failure of British businessmen in that area. They have tried without avail to induce Knowland to change his stand — for their support at the November election."

Columnist Brown concludes his story with the report that these right-wing groups are considering backing Knowland's opponent, Democratic aspirant "Pat" Brown — merging with his left-wing laborite supporters.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

C: Capital analysts estimate that the still-simmering be of misconduct in Federal regulatory agencies will a political "stand-off" — and not the election-year coup ch "liberal" Democrats had hoped to make it. They these facts:

) The Subcommittee on Legislative Oversight, to which investigation was entrusted, and which came under from its ex-counsel, Dr. Bernard Schwartz, is headed a "liberal" Democrat from Arkansas, Representative n Harris — who is also chairman of the parent House nmittee on Interstate and Foreign Commerce. (Before took over from Representative Moulder of Missouri as committee chairman, Harris was widely pictured as the ain in the Schwartz episode.)

) While some of the charges of "influence-wielding" e been beamed at high-ranking Modern Republicans ch as Sherman Adams), the real "dirt" produced to : has implicated a far greater number of Democrats. ef target of the probe so far, it is noted, has been nocrat Richard A. Mack, an FCC member whose ncial transactions with Miami attorney Thurman White- : have inspired the greatest wrath in the breasts of)eral" pundits. Also, Jerry Carter, the witness who took stand to label himself a "cheap politician," is a mem- of the Democratic National Committee. (Recounting attempts to get Mack appointed to the FCC, Carter said: ie only thing I have done was pull, under cover, all wires I could.")

) Even bigger Democratic fish, however, have been in- ved by the subcommittee's probings. Senator Estes auver (D.-Tenn.), it was revealed, had intervened with e FCC members on behalf of Frank Katzentine, station owner. Subsequently, Ben H. Fuqua, vice sident of the Florida Power and Light Company, testi- that Kefauver had asked him to inform Mack of auver's "desire that Mr. Katzentine's application for television license should be given every fair considera- on its merits."

and, in the early phase of the hearings, forthright)resentative Melvin Laird (R.-Wis.) had suggested that ator John Sparkman (D.-Ala.), former Democratic e-Presidential candidate, "settle questions about his mysterious connections with broadcasting." Laird that during the public financial accountings that em- ished the 1952 Presidential campaign, Sparkman omit- "the fact that his wife in just one year received divi- ds totaling $6501 from her partnership in [radio ion] WAVU of Albertville, Ala." (Sparkman denied his wife's affiliation with the station was in any way roper.)

eign Aid: Protests continued to mount last week as : Johnston's celebrity-studded "National Conference on oign Aspects of US National Security" kicked off a sive lobbying campaign on behalf of foreign aid. wing acid comment was the blatancy of the gathering's)agandistic intent. Particularly scored was the attitude nifest in this remark by one of the program's participants: "Social security was once a dirty word, but now it is accepted as both wise and necessary. We have to do the same for foreign aid."

Such unabashed propagandizing, it is observed, more and more characterizes the bureaucrats giving away our dollars abroad. The House Government Operations Committee last week adopted a report stating that foreign aid funds are deliberately mislabelled as "defense support" — and quoted America's military chief in Spain to the effect that such verbal tricks are "sugar-coating" to make foreign aid easier for the public to swallow.

● Conservatives viewing the Johnston group's jamboree were heartened by the fact that many Congressmen were frank to say that the only effect that the propaganda session had on them was to intensify their distaste for foreign giveaways. Typical of much congressional reaction was the advance comment of Representative Otto Passman (D.-La.), chairman of the House subcommittee that scrutinizes foreign-aid funds. Passman characterized the Johnston effort as "the largest and most distinguished single lobbying effort ever undertaken in an attempt to sell the American people and the Congress on any matter at all." In place of Johnston's "big foreign-aid snow job," Passman declared, "the public interest could be better served if these super salesmen for foreign aid were to concentrate on learning more of the real facts of the program."

● Finally, anti-Communists note the irony of this gigantic effort to brainwash the American public on behalf of foreign aid while the US Government continues to give dollars to Communist dictatorships in Yugoslavia and Poland (see HUMAN EVENTS for February 24, 1958). Many second the sentiments of Senator Styles Bridges (R.-N.H.), who last week denounced the Administration's new $98 million credit agreement with Red Poland.

"If this were aid directly to the Polish people in their fight for freedom," Bridges said, "I would be all for it. But by extending aid to Gomulka we merely make it possible for him to quiet the natural unrest in opposition to his regime. Far from helping free people along the road of self-determination, we are actually forging stronger chains for their bondage."

Tariffs: The Administration's hopes for extension of the trade-agreements program suffered another jolt last week when the program was roundly denounced by the cotton textile industry.

The industry has been hit about as hard as any American industry by imports of cheap-labor foreign goods enjoying low-tariff privileges. Heretofore, however, as a group it has refrained from open opposition to extension of the trade-agreements program. The Administration, apparently seeking to curry its favor, has given it special relief in such forms as the informal arrangement with Japan, whereby that country voluntarily placed its own quotas on shipments of its textiles to the US.

Last week, speaking through the Textile Information Service, the industry organization, cotton textile representatives said the "element of reciprocity," which was the

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cornerstone of the program at its inception 24 years ago, has long since been abandoned. The industry urged that, if the program is extended at all, it provide specifically for bilateral trade agreements with individual countries (rather than general agreements with numerous countries, such as the widely condemned General Agreement on Tariffs and Trade, or GATT); and that authority to overrule Federal Tariff Commission tariff-raising orders for relief of individual industries, be lodged with Congress rather than with the President.

Best guess in the Capital is that the latter point will be included in any extension of the program, and that the extension, if any, will be for only one year, rather than the five years sought by Eisenhower.

Tax Cut: In a documented study released last week, the Council of State Chambers of Commerce recommended immediate tax reductions and a $3.7 billion cut in spending. Upwards of $2 billion, the Council declared, "could be saved in a number of areas where certain programs would be extended beyond their present termination dates and the costs of others increased beyond their present levels. These savings would be in the Mutual Security program, school aid in the Federally affected areas, urban renewal grants, FNMA mortgage purchases, college housing loans, Small Business Administration, and in the costs of Federal pay increases." (Copies of this Budget analysis may be requested from the Council of State Chambers of Commerce, Rm. 513, 1025 Connecticut Ave., Washington 6, D. C.)

Americans In Red Prisons: Inciting angry comment in the Capital in recent days has been the "shanghaiing" of an airplane, with two American citizens on board, by Communists in Korea. Reports from Korea estimate that the kidnapping was engineered by Communists who boarded the plane in Pusan and forced the pilot to fly North into Communist territory. UN representatives in Korea met with Communist spokesmen to question them about the incident, but to date the American Government has taken no steps to redeem the freedom of the two American citizens involved.

The kidnapping prompts some conservatives in the Capital to remark on the fact that there are many other Americans whose fate at the hands of the Chinese and North Korean Reds has never been determined. The number of American personnel missing during the Korean war — "unaccounted for" because sufficient evidence did not exist to declare them dead — was fixed, by a committee investigating the matter, at 481. It is likely, legislators observe, that a large number of these "unaccounted for" personnel are now dead. Equally probable, however, is that just as large a number are alive and languishing in Red prisons.

Why then, it is asked, do US State Department sources insist upon using such figures as "thirteen" and "six" to represent the number of Americans being unlawfully held by the Reds? And why has this matter not been forcefully pressed, until all such Americans are restored to freedom?

(It is recalled that the late Senator McCarthy, in public letter to President Eisenhower, declared that US, in order to free its personnel, should "cut off aid countries that trade with Red China; or if that fails . establish a naval blockade of the China Coast; or that also fails . . . dispatch a land task force under app priate air cover directly to the Communist prison camps

Education Front: Reports from New York suggest t lavish spending for public schools enjoys no wide fa there. Appearing last week on a New York televis program, "Citizen's Searchlight," New York City C troller Lawrence Gerosa expressed doubts as to the n for new school buildings in New York. "A lot of schc are not crowded," Gerosa stated, pointing out that 3 city schools have been constructed or modernized si 1937, while school enrollment was decreasing by 200,0

Gerosa subsequently remarked that "there are m things that go into a school beside bricks and mortar. need teachers and textbooks. Any kind of waste or proper planning in the long run would be the grea crime against education."

● Further dispatches reveal that public resistance extravagant outlays for school facilities, in New York a its environs, is increasing:

In New Jersey, the number of local school districts wh rejected the budgets submitted by their boards of educat has doubled since 1956.

In Connecticut, State Senator Benjamin L. Barringer warned that enactment of a state income tax may fol continued municipal requests for state educational in 1959.

In New York state during 1957, more school b requests were rejected than were approved — a sh reversal of form from the preceding year, when $28 mill worth of bonds were approved, only $2 million reject

ALEX M. CLARK, Former Mayor of Indianapolis: "I conside HUMAN EVENTS a very special weekly publication in which th analysis of the news is concise, factual, and unbiased."

Additional copies of 4-page News Section or Article Section: single copy *(coins, not stamps); 10 copies $1; 25 copies $2; 100 copies $5; 500 copies* 1000 copies $30. In 5000 lots of $25 per thousand. Unless otherwise ord reprints are sent by fourth-class mail which takes ten days to two week delivery. For first-class mail delivery, add one cent a copy; for airmail, two cents a copy.

TRIAL SUBSCRIPTION to HUMAN EVENTS for new subscribers only: 5 weeks
Yearly rate, $10; 6 months, $6; 3 months, $3.
By first class mail, $12 a year; by airmail (including APO and FPO), $ year. FOREIGN: $14 a year; airmail, Europe, Latin America, $21 a airmail, Asia, Africa and Pacific, $36 a year.
Bound Annual Volume for 1957, with complete index, $15. 1955 and volumes available at same price. None available for previous years.
Allow us 2 weeks to process new subscriptions and changes of address.
The Declaration of Independence opens: "When in the course of HU EVENTS . . ."

FRANK C. HANIGHEN, *Editor and Publisher*
JAMES L. WICK, *Executive Publisher*
Contributing Editors: FRANK CHODOROV, M. STANTON EVANS

HUMAN EVENTS, 1835 K Street, N.W., Washington 6, D. C., is a weekly letter reporting from Washington on politics, business, labor and taxes. It founded in 1944 by Frank C. Hanighen. Published usually in two sectio 4-page news section and a 4-page article section. Entered as second matter at Washington, D. C. Copyright 1958.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Vol. XV, No. 9 HUMAN EVENTS March 3, 1958

Article Section *Printed in Two Sections*

HOW TO END RECESSIONS

Reduced Taxes: The Key to Prosperity

By FRANK CHODOROV

IT SHOULD BE evident that the only way to cut the Budget is to reduce taxes. Government has a built-in propensity for spending all that it can collect, and cannot correct this internal defect in its make-up by an exercise of will; the restraint must come from without. The spigot must be turned off by the taxpayers.

Last year President Eisenhower's $72 billion Budget so astounded the American people that Washington was inundated with letters of protest. Did this spontaneous expression of public opinion cause the Budget to be cut? Not substantially. Some commendable cuts were made, but far too many "reductions" were simply the result of bookkeeping juggling. Congress slashed several billions from the amount asked by the President, but the bureaucrats went on spending in their usual carefree manner — counting on "supplemental appropriations" to meet any expenses exceeding their allotted portion of the Budget as voted by the legislators.

This year, thanks to the Sputnik "emergency," the President made bold to ask for $2 billion more than he did last year, and the country, frightened by the prospect of national destruction and trusting (as it must) to the competence of its leaders to set up an adequate defense, has refrained from protesting. After all, if our very existence is at stake shall we count the cost of survival? And even if the leaders have shown incompetence in military matters, is there anybody else to whom we can turn? Maybe if we give them enough money to experiment with, they might come up with the missiles and things that will keep the enemy from our doors.

But then the new Budget is by no means purely military; it contains as many "welfare-as-usual" items as the one which exasperated the Nation last year. And the poor citizen, the taxpayer, begins to wonder: if the country is in danger of destruction, as we are told, why should the Government bother about farm relief, foreign aid, housing subsidies and all the other costly experiments in social planning? Surely, when the very existence of the Nation is in jeopardy, we can dispense with such luxuries.

It is not surprising that at this point the citizen, guided only by his common sense, asks himself the pertinent question: what kind of Government do we really have? He is under the impression, having read about it somewhere, that his Government is republican in form, deriving its powers from the consent of the governed, and he expects that his representatives will pay some attention to the will of the people. The Budgets of the last two years, however, seem to refute this idea.

The fact is — as the events of the last 30 years have shown, and as the budgetary controversy has demonstrated — that by some subtle alchemy our Government has been transmogrified into an oligarchy, an oligarchy of bureaucrats. It is this body that actually determines how our money is to be spent (and, therefore, the character of the Government). In order to understand, or to try to understand, the incongruities of the President's Budget and the tendency of the Government toward profligacy, we must give some thought to the composition of the bureaucrat.

IN THE FIRST place, the bureaucrat is a person, just like the rest of us. He too is bent on getting the most out of life with the least expenditure of toil. He differs from those of us who live by laboring in that he has chosen as his method for improving his circumstances a course completely removed from production. His haven is the public payroll.

Bureaucrats are of two kinds. One kind consists of those who might have made good in the market place, or have left the market place of their own choice, being attracted by the glamor that surrounds public office; that's a form of compensation, too. But these are a comparatively small, though important, part of the bureaucracy. The vast majority consists of those

Published weekly at 1835 K Street, N.W., Washington 6, D. C. • Copyright 1958 by HUMAN EVENTS, INC.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

who fear the competitive conditions of the market place and find an escape in Government service. A composite of the rank and file in the bureaucracy can be described as a person who has gone to college and taken a "major" in economics and a "minor" in sociology or political science, or vice versa. He has read books. He is therefore well-equipped for the job of handling figures, writing words, spinning phrases and chopping logic. He knows nothing else, but what he knows he knows all too well. His training and his natural inclination make him expert at writing laws, at digging up statistics and arguments in support of these laws, at interpreting and administering laws, at carrying on the effective business of Government.

The bureaucrat thrives by laws. Each piece of legislation calls for an administrative agency, for no law is self-implementing, and in practical terms that means additional prerogatives and perquisites for administrators. The proliferation of laws not only results in a proliferation of jobs and emoluments, but also in the enhancement of the importance of the bureaucracy. For, as the legislative maze becomes more complicated, the bureaucrat becomes indispensable as a guide, and the elected official — the Congressman or the President — must lean more and more upon him.

It is simply impossible for the Congressman, whose main occupation is of necessity that of getting himself re-elected, to study and form independent judgment on all the bills that come up for vote, and without the helping and willing hand of the bureaucrat he would be lost. The President, who is the titular head of all the bureaucrats, must, by force of circumstances, become their mere mouthpiece. As a result, the real or effective Government of the country is the oligarchy of bureaucrats, spawned by laws.

Obviously, the self-interest of the bureaucrat inclines him to "reforms." Many, of course, get into Government with the idea of changing society or improving the common welfare, according to a formula learned at college, but even one who enters the service only for the need of a job must in time acquire a sense of mission. It is an occupational disease. A Government jobholder can hardly escape the collectivistic complex, quite without any acquaintance with Karl Marx. The pressures urging him to an affinity for Big Government were well described by a reformed civil servant, writing in HUMAN EVENTS for January 20, 1958 ("Confessions of a Bureaucrat," by Potomacus).

IT IS THAT type of person with whom we are dealing when we consider the character or size of the Budget. His "profit motive" impels him to resist any attempt at parsimony and to use all his craft to effect expansion. The bigger the Budget the better for the bureaucracy. And since the Budget in the first place is made up of requests for appropriations from these self-same bureaucrats, it is a certainty that their estimates will be liberal; economy-mindedness is not in their line. The prerogatives and emoluments of every departmental chief are determined by the number of lieutenants he needs, according to his own judgment, for the job at hand, and each lieutenant in turn is as big as the staff he heads.

Is it any wonder that these administrators of the law, these managers of the Governmental machinery, are always able to prove beyond the peradventure of a doubt that the amount they ask for is the rock-bottom for efficient exercise of their duties? Can the elected representatives, completely unacquainted with the details of the operations of the departments their own laws have created, successfully contend with these insiders? The bureaucrat is tops at dialectic.

Right now the bureaucrats are spinning a new argument in justification of the monstrous Budget, with all its socialistic fringes. The Budget was being framed at the time Sputnik was sending its frightening beep-beep down to earth, and no one doubted that "defense" would be its motif. Since then, a new "emergency" has arisen; it is the threat of a recession or a depression or whatever the wise ones choose to call the present reluctance or inability of the consumer to buy things. This is a condition none of us likes any more than the threat of national destruction. So, it is being bruited about that the spending advocated — not only for missiles but also for all the other things — will do more than give us national security; it will also give us national prosperity.

Shades of Franklin D. Roosevelt! A quarter of a century since he propounded the "pump-priming" notion, it is being seriously advanced by a new set of doctors. Of course, the billions

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FDR spent on boondoggling did not pull us out of the depression, and the billions it is now proposed to spend on similar ventures will not correct the current drop in our economy. Government spending cannot effect prosperity. Yet, because the assertion is being made in high circles, we must pay some attention to the idiotic idea.

What is prosperity? It is merely an abundance of things in the market place. If I have a lot of onions, more than I want, and you have more shoes than you care to wear, we swap our excesses and both of us are richer by the exchange. If the swap is effected through the medium of money, if the operation entails the service of common carriers, banks, insurance companies, retail stores, the result is the same: I have the shoes I wanted and you have added onions to your menu. And that is all there is to prosperity — an abundance of goods and services, things we want and are willing to pay for.

The only way prosperity can be achieved is by labor, labor of all kinds. Money is of assistance in facilitating the exchange of the products of labor, but in itself it is not the cause of products. Not a single onion, not even a shoe lace, is brought into being by an abundance of money.

The theory that Government spending can produce prosperity rests on the assumption that the money it thus spreads around will make us all buyers, that we will all demand shoes and onions and the makers thereof will go to work to satisfy the "effective demand."

But, the Government did not make any onions or shoes when it bought, with our money, a tractor for the bushmen of Australia. It caused something to be made for which we have no use, and which we would not buy if we had any choice in the matter. Certainly, the bureaucrat has money with which to order shoes, and when the cobbler accepts this money for his product he confidently expects that it will fetch him a peck of onions; but the bureaucrat did not produce onions and so the cobbler is cheated; he gave up his product and got nothing but money in return.

WHY DOES NOT the Government produce onions and shoes? Simply because it has no competence for production of any kind. Government is a social instrument for keeping the peace among producers, and its only equipment for that job is power, power to make people do or not do certain things. It controls human behavior, which is quite a different operation from producing things people want.

The Government, to boot, has a monopoly of making money. Therefore, when the cobbler grumbles because his shoes do not bring him onions, the Government seeks to assuage the poor fellow by giving him brand new money, just printed. The cobbler, accustomed to equating money with wealth, feels quite elated with his new acquisition of counterfeit money. But still, there are no onions to buy, because the Government has absorbed, through its power to tax, most of the available onions and turned them into things the cobbler does not want, like aid to Timbuktu. What's more, he finds that because of the abundance of printed money around he has to pay an unconscionable amount of shoes for the few onions the Government has not taken. That's inflation.

Our illustration is quite pertinent at this time, because President Eisenhower has told us that if business does not revive soon he may find it necessary to give it the "needle." From the context of his announcement we learn that the "needle" is an increase in the national debt. An increase in the national debt means the issuance of bonds, which — despite all the language with which the act is clothed — is nothing but the printing of more money, or counterfeiting. In effect, the President has told us that the boondoggling contemplated in the Budget will come to pass and, if taxes are not sufficient to cover the cost, he will order the printing presses to make up the deficiency. Onions will cost more. But there will be no prosperity.

What, in these circumstances, are we — the butchers, bakers and candlestick makers—to do? What do we want? We want national security, to be sure, and we want prosperity. As for security, we recognize it as an irredeemable cost and are willing to meet it; but the notion that it is an investment from which we might draw dividends in the way of prosperity is sheer hogwash.

As for prosperity, quite without reference to economics textbooks, we know exactly what it is and how to get it. Beginning with the basic premise that prosperity is nothing but an abundance of desirable things, we ask that we be allowed to keep more of the desirable things we

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

produce as butchers, bakers and candlestick makers. We want our property. With that we will make our own prosperity, since nobody else can make it for us.

That is, we want a cut in taxes. Last year we were foolish enough to set ourselves up as experts in Government; we wrote our Congressmen that we wanted the Government to get out of the farm-support business, the foreign-aid business, the education business, the banking business or whatnot. We were presumptuous and we failed.

THIS YEAR we should leave the management of Government to those who have made a career of it — what else can we do? — and confine ourselves to demanding that we be allowed to make prosperity, a field in which we have historically shown ourselves to be experts and in which the bureaucrats are, by their choice of occupation, demonstrable failures. We want a cut in taxes. If this should result in the dropping of a number of timeservers from the payroll, if it necessitates the closing up of a department or two, if it results in discontinuing some socialist experiments, we will applaud — but that is not our principal interest. The management of public affairs is not in our line.

Granted that the Government as a whole is the oligarchy of bureaucrats, quite beyond our reach, the constitutional fact remains that our elected representatives are still in control of the tax machinery. They and they alone can decide how much we shall be taxed. And since they are beholden to us for the offices they hold, we must make it plain to them that re-election is dependent on their giving us some relief from the yoke we bear. We must tell them in unmistakable terms that the price of their tenure is tax relief. The relief may come by way of a raising of the income tax exemptions, or a lowering of the rates, or the dropping of corporate levies or some reduction in excise taxes; whatever we save from the clutches of the bureaucrats will be put to good use. Maybe the prosperity we create with our own property will increase the "take" of the bureaucrats next year, since all taxes come out of prosperity; nevertheless, some of this increased productivity will remain in our hands, to be enjoyed as we see fit.

And so the sensible thing for us to do is to write our Congressmen that we want a cut in taxes. We should do so right now, and we should continue writing throughout this session. We should write, write, write; and the theme song of all our letters should be cut, cut, cut.

RECENT HUMAN EVENTS ARTICLES ON TAXES AND ECONOMY

If you would like to buy extra copies of articles on taxes and economy that have appeared in HUMAN EVENTS, a representative list of titles appears below. An order blank is attached for your convenience.

(Number of Copies)

How to End Recessions, *by Frank Chodorov* . . . .

The Tax Slaves, *by E. Merrill Root* . . . .

Confessions of a Bureaucrat, *by Potomacus* . . . .

J. Bracken Lee — Budget Cutter, *by Frank C. Hanighen* . . . .

We *Can* Cut Taxes — If We Cut the Budget, *by Sen. H. F. Byrd* . . . .

Why Rome Fell: The Effects of Bureaucracy, Taxes and Inflation, *trans. by Clyde Pharr* . . . .

The Income Tax Is Making Us A Dishonest People, *by J. Bracken Lee* . . . .

What Is Past Is Prologue, *by Harold B. Wess* . . . .

Fleeing the Welfare State: A Report from Britain, *by Colm Brogan* . . . .

How You Can Stop Big Spending, *by Sen. W. E. Jenner* . . . .

Abolish the Income Tax, *by T. Coleman Andrews* . . . .

TOTAL . . . .

Single copies 20 cents; 10 copies $1; 25 copies $2; 100 copies $5; 500 copies $20; 1000 copies $30; in 5000 lots, $25 per thousand. **Total number of articles determines price.**

Enclosed find my check or or money order for . . . . . $.....

If you wish to be billed, instead of paying now, put an "X" in the following space . . . . ☐

Name.....

Address.....
(Number) (Street)

.....
(City) (Zone) (State)

HUMAN EVENTS was founded in 1944 by Frank C. Hanighen. It is published weekly at 1835 K Street, N.W., Washington 6, D. C. and reports from Washington on politics, business, labor and taxes. It is usually published in two parts: a 4-page news section and a 4-page article. $10 per year.

TRIAL SUBSCRIPTIONS, new subscribers only: 5 weeks for $1.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED